

TOWN OF RICHLANDS
NORTH CAROLINA

Office of the
Town Administrator
(910) 324-3301
(910) 324-2324 fax

Mailing Address
P.O. Box 245
Richlands, N.C.
28574



June 1, 2016

BUDGET MESSAGE

To: Mayor McKinley Smith and the Richlands Board of Aldermen

From: Gregg Whitehead, Town Administrator

Re: The 2016-2017 Fiscal Year Budget Message

Introduction

I am pleased to present the balanced, proposed Fiscal Year 16-17 operating budget for the Town of Richlands. As you are aware, the actual departmentalized budget ordinance, complete with fee schedules, will be available for your adoption after the necessary public hearing is held and all line items and rates are agreed upon and finalized. The proposed budget and the information within this summary is a direct result of the budget workshop held on May 24, 2016 and therefore most if not all items discussed in detail should be familiar to you.

The total operating budget proposed for Fiscal Year 16-17 is \$1,350,000 and solely consists of the General Fund. The proposed total operating budget represents a \$22,850 *increase* from the current year's budget, excluding any budget amendments adopted the previous year, and amounts to approximately a 1.7% increase in the overall budget as illustrated in Appendix D. The proposed operating budget of \$1,350,000 is the highest base level General Fund budget to be considered for adoption but **does not** require any change in the property tax rate or the Schedule of Fees. The budget increase can be attributed to several factors including modest property tax value growth (see Appendix A) and the move to make the Code Enforcement Officer a full-time position in the Public Safety Department. In addition, approximately \$44,000 in capital outlay item requests has been budgeted among three departments.

Due to the 2013 property tax revaluation, the property tax base in Richlands decreased 1.6% in 2014 and decreased an additional .1% for Fiscal Year 15-16. For FY 16-17, the total property tax base is expected to increase .8% as illustrated in Appendix B. However, the Town of Richlands is still in excellent financial health and due to prudent fiscal management and restraint by both the town staff and the Board of Aldermen, the proposed budget for Fiscal Year 16-17 will be able to meet the needs of the citizenry as well as effectively allocate limited resources to address needed departmental capital expenditures. Though the property tax base is estimated to

be slightly higher for Fiscal Year 16-17, sales tax revenues are estimated to be 3.5% above current year distributions. With the modest anticipated gains in the distribution of the sales tax coupled with the utilization of an Onslow County tax collection rate for Richlands of 96.5%, I am able to propose a budget without having to make a change to the property tax rate. Therefore, I am proposing to remain at the current tax rate of \$.38 per \$100.00 which will provide the necessary funds to provide the standard of services expected by the community. Please note that the overall growth in the budget is not solely a case of an increase in revenues but also a reflection of the actual cost of services, which do not remain stagnate over time, and the function of the budget is to provide and manage those services. A summary of the General Fund revenues and expenditures is outlined in Appendix E.

Capital outlay items totaling \$44,300 have been budgeted in three departments: The Police Department, the Administration Department and the Public Works Department. A summary of the departmental requests can be found in Appendix H. The \$44,300 budgeted for capital items is \$10,700 *less* than the capital outlay expenditures from last year. Please note that the single largest capital item in the budget is \$30,400 for a new patrol vehicle in the Public Safety Department and that capital outlay expenditures still signify a substantial investment in capital needs that will allow for the town Departments to continue providing a high level of services to the community. The capital outlay items are also discussed in further detail in a later section of this summary.

Since service delivery is our primary function, I believe I have developed a budget that allows the Town of Richlands to continue to provide a multitude of services at high levels, while being fiscally responsible. In general, I have kept the growth of general expenditures to a low but realistic level. The transfer of a part-time position (Code Enforcement Officer) in the Public Safety Department to a full-time position, capital outlay purchases and annual service contracts contribute to the bulk of the expenditure increases. In addition, the rising costs of departmental supplies out of the town's control such as fuel costs, electricity costs, and health insurance premiums also account for some increase in expenditures. I have attempted to forecast conservative revenue estimates, though the estimated revenues in the General Fund are slightly higher than last year due to projected increases in the anticipated property tax and sales tax revenues.

Please remember that the budget is titled "proposed" and therefore nothing contained herein is permanent. Upon your receiving this proposal, the bulk of my work has been completed. I hope the budget I am proposing meets the priorities and goals of the Board of Aldermen.

Revenues

As illustrated by the chart in Appendix F, the primary source of revenue for the town is through the collection of property tax. The Fiscal Year 16-17 will see an estimated increase in total property tax values in Richlands by .8% from the current fiscal year with a total property tax valuation estimated at \$153,384,000. This represents an increase in property values of \$1,264,000 from the current fiscal year. The total property tax value of the town since 2000 is illustrated in Appendix A.

New home construction has slowed down considerably from previous years. Fortunately, sales tax revenues have continued to outperform budgeted expectations. With these property tax numbers and sales tax revenue trends in mind, I am proposing to hold the current property tax rate of \$.38 per \$100.00 of taxable valuation for the Fiscal Year 16-17. Accounting for a 100% collection rate, a penny levied equals approximately \$15,394.00 of property tax revenue. Since state law requires that municipalities estimate a collection rate equal to or lower than the previous year's rate, I have utilized a conservative 96.5% collection rate for the Fiscal Year 16-17. Utilizing a rounded total tax valuation of \$153,000,000, a tax rate of \$.38 is expected to generate approximately \$561,000 in property tax revenue and the number doesn't include property tax revenue collected from previous years.

As mentioned previously, the revenue derived from sales tax receipts has been higher than budgeted over the past three years and sales tax revenue growth has been consistent over the same period of time as well. For FY 15-16 sales tax revenues trended higher in the first quarter distribution than the second and third quarters, with an average monthly difference of approximately \$2,000. Even with such a fluctuation in sales tax revenue the projected total sales tax revenue for FY 15-16 is expected to exceed the budgeted amount by approximately \$4,300. An illustration of the difference in sales tax revenue projections versus actual collections can be found in Appendix C. I have always attempted to budget conservative sales tax revenue estimates and according to the N.C. League of Municipalities FY 16-17 Revenue Projections Summary, sales tax receipts are projected to grow 3.75 percent from the 2016-2017 fiscal year. Taking into consideration these factors, I have budgeted a sales tax revenue number that is approximately \$9,000 higher than the amount budgeted in FY 15-16. Assuming sales tax revenues grow as projected, sales tax receipts should still come in higher than budgeted.

While the revenue from the collection of sales tax was once on par with property tax levies, the revenues from sales tax has been outpaced by the growth in property tax revenues since 2002 and now only accounts for 21.6% of all revenue collected (see Appendix F). The reason is two-fold: The initial loss in population from the 2000 Census combined with significant increases in tax values over the course of four re-evaluations has created a significant revenue disparity between sales tax revenues and property tax revenues. Please note that though sales tax revenues are an important source of revenue, the revenues derived from property taxes are more stable and less subject to economic changes.

In determining revenue projections for state collected revenue (Powell Bill Funds, the Wine and Beer Tax and the Utilities Franchise Tax), I rely heavily on the estimates established by the N.C. League of Municipalities and known trends. The revenue received from the state collected revenue (Powell Bill Funds, the Wine and Beer Tax and the Utilities Franchise Tax), is based on the town's population, though Powell Bill funding is also a product of the amount of miles in the town street system. Town population (1656) decreased by 23 people from last year so no significant revenue increase in any revenue based on population can be expected. Based on the League research, Powell Bill funding will increase to approximately \$51,000 for the Town of Richlands, which is \$1,000 less than last year. Please note that almost 70% of Powell Bill funding is based on the population. I am able to project a slight increase in the revenue received from the Cable Franchise and a slight increase in the Utilities Franchise Tax, though the percentages are in the single digits.

\$500 is budgeted for State grant funds available for mosquito control operation in the proposed budget and \$8,000 in funds from the Governor's Highway Safety Grant, which will be the final grant reimbursement stemming from the 2014 grant application. \$12,200 in Fund Balance is also budgeted for Fiscal Year 16-17.

I am not proposing any changes in the Planning and Development fees or rental fees for the Community Building. I am also proposing no change in the residential solid waste collection fees. The current monthly residential solid waste fee of \$13.90 per cart is able to cover both the collection of solid waste, recycling and disposal. The proposed Schedule of Fees is attached to the budget for your review. A summary of the General Fund revenues listed by main category can found in Appendix E.

Expenditures

For the Fiscal Year 16-17 the town will incur \$47,514 in obligated expenditures for capital items and installment purchase payments, which is \$38,791 *less* than last year and includes the purchase of a new Dodge Charger Police Interceptor. And as noted in Appendix I, installment purchase payments for three vehicles came off the books in 2015 which resulted in a significant decrease in our recurring obligations for Fiscal Year 16-17 and beyond.

To meet capital outlay needs a total of \$44,300 is being budgeted between the departments. The single largest capital outlay item proposed to be purchased is a new patrol car in the Public Safety Department, which will allow an older car to be utilized full-time by the Code Enforcement Officer/Detective. Additional items in the Public Safety Department include a portable solar powered radar sign to replace an inoperable battery operated radar sign and nylon gear for the Police Officers to replace the older patent leather style gear currently in use. The Public Works Department is proposing to purchase a power bucket for the Ventrak machine that will better help the department staff maintain Venters Park. The \$44,300 in proposed capital outlay items for fiscal Year 16-17 represents less than half of 1% of the General Fund budget. A summary of the capital outlay requests for all departments is provided in Appendix H. Please note that software upgrades is not considered a capital outlay expense.

The total Powell Bill expenditures are budgeted at \$60,000, of which \$32,000 will be utilized to cover the street improvement debt. The remaining \$28,000 is available to the Public Works Department for routine street maintenance needs. In addition, no Powell Bill funds are to be used to cover the salaries of the Public Works Department.

I have budgeted \$2,000 in funds for continuing improvements to Venters Park and \$1,500 is budgeted to contribute to downtown façade improvement efforts. Departmental operating costs are not expected to change significantly and the cost of health insurance premiums which will increase approximately 3% in Fiscal Year 16-17. In addition, the town's general liability insurance premiums are expected to be marginally the same as FY 15-16. The annual contract fee for fire protection by the Richlands Volunteer Fire Department will remain at \$25,500.

Overall, I have attempted to budget departmental expenditures at a conservative yet realistic level in order to provide high level of municipal services to the community. The cost breakdown for each department is highlighted in Appendix G.

Personnel Costs

Since people do the bulk of the town work, salaries and benefits account for 50% of the General Fund budget. Due to the increasing cost of basic living expenses and the need to stay competitive in retaining and recruiting excellent staff, I am proposing a Cost of Living Adjustment (COLA) of 2% for all full-time employees. An additional 1% will be utilized to promote two police officers to the position of Police Sergeant. The 401(k) employer contribution for all full-time personnel (excluding police officers) will remain at 3%. The town is already required by law to provide a 5% 401(k) employer contribution for police officers. \$6,000 has been budgeted for the annual experience/holiday bonuses. As mentioned previously, the Code Enforcement Officer position will be transitioned from part-time to full-time and the position's responsibilities will be expanded to include detective duties as well as community policing efforts.

Salaries for the Mayor and Board of Aldermen have not changed and are budgeted at the following levels:

| | |
|---------------|---------|
| Mayor | \$2,016 |
| Mayor Pro-tem | \$1,701 |
| Aldermen | \$1,323 |

Sanitation

I am proposing to maintain the current user fee of \$13.90 per household per month. This fee was established in the FY 15-16 budget in an effort to fully cover the costs associated with residential solid waste collection and residential recycling by Waste Industries and the disposal of solid waste at the landfill. With a monthly average cart count of 938, the solid waste user fee is expected to generate \$156,458 in FY 16-17. The solid waste collection and recycling contract with Waste Industries will expire on June 30, 2017 and the per cart amount for Fiscal Year 16-17 will increase to \$10.80 per cart per month as stated by the contract. Combining the annual solid waste collection and recycling contract (938 carts per month) with annual solid waste disposal costs of \$34,000-35,000 per year, the total solid waste collection and disposal cost for the town is projected to be \$156,065, which should result in a net gain of approximately \$393 for the solid waste program. Please note that the proposed rate of \$13.90 per cart per month includes our residential recycling program and when comparing our combined rate to other communities nearby the proposed rate is still one of the lowest in the area.

Buildings and Grounds

I am not proposing any changes to the rental fees for the Community Building in Fiscal Year 16-17. No funds have been placed in the proposed budget to renovate or fix the Help building

however cost estimates will be received by town staff in the event repair needs are approved in the future.

As mentioned previously, \$2,000 is currently budgeted for continuing Venters Park improvements, some of which will go to providing landscaping needs and to address any items that may have been overlooked during the completion of Venters Park Improvement Project.

Conclusion

I firmly believe that the proposed budget will meet the citizen demand for efficient and effective municipal services without compromising the fiscal integrity of the Town, as well as meeting the funding priorities of the Board as established at the Budget Workshop. I have included a complete fee schedule and other appendices for your review. Please feel free to contact me any time at your convenience if you have any questions regarding the proposed budget.

6/13/2016

**Town of Richlands
2016-17 Budget Worksheet**

| <u>GL Account/Description</u> | <u>Current</u> | <u>Actual</u> | <u>Prior Year</u> | <u>Requested</u> | <u>Recommended</u> | <u>Approved</u> |
|--|----------------|---------------|-------------------|------------------|--------------------|-----------------|
| 10-301-0100 TAXES - AD VALOREM CURRENT | 514,000 | 530,862.20 | 525,306.11 | | 515,000 | |
| 10-301-0150 TAXES - DMV NCVTS DISTRIBUTION | 40,000 | 41,237.26 | 42,677.00 | | 46,000 | |
| 10-301-0200 TAXES - AD VALOREM PRIO | 5,000 | 8,612.23 | 11,708.60 | | 6,000 | |
| 10-301-0300 TAXES - AD VALOREM 2ND | 2,000 | 3,207.66 | 3,249.78 | | 2,500 | |
| 10-301-0400 TAXES - AD VALOREM ALL | 500 | 1,687.29 | 541.35 | | 500 | |
| 10-312-0000 REFUNDS PAID - AD VALOREM | 0 | -2,366.14 | 0.00 | | 0 | |
| 10-317-0000 TAX PENALTIES & INTEREST | 2,000 | 2,996.84 | 3,234.85 | | 2,000 | |
| 10-325-0000 PRIVILEGE LICENSES | 0 | 0.00 | 900.00 | | 0 | |
| 10-328-0100 CABLE TV FRANCHISE | 20,000 | 15,178.84 | 21,313.55 | | 20,000 | |
| 10-329-0000 INTEREST EARNED/INV | 0 | 0.00 | 0.00 | | 0 | |
| 10-329-0100 INTEREST EARNED - BANK | 500 | 378.32 | 443.27 | | 500 | |
| 10-329-0200 POWELL BILL INTEREST | 0 | 12.95 | 13.08 | | 0 | |
| 10-331-0000 RENT & CONCESSIONS | 6,500 | 9,175.00 | 12,835.00 | | 7,000 | |
| 10-331-0100 GTE LEASE | 6,500 | 8,770.96 | 7,810.11 | | 7,500 | |
| 10-331-0200 ONWASA RENT | 35,000 | 32,083.33 | 35,000.00 | | 35,000 | |
| 10-335-0000 MISCELLANEOUS REVENUES | 5,000 | 7,251.99 | 8,956.46 | | 5,000 | |
| 10-335-0100 MISC (PARK PATROL) | 10,000 | 10,285.00 | 10,073.00 | | 10,200 | |
| 10-335-0200 MISC (NARCOTICS ENFORCE) | 500 | 0.00 | 210.80 | | 500 | |
| 10-336-0000 DONATIONS FROM PRIVATE | 0 | 25.00 | 1,106.04 | | 0 | |
| 10-337-0000 UTILITIES FRANCHISE TAX | 105,000 | 86,928.49 | 111,875.66 | | 115,000 | |
| 10-341-0000 WINE & BEER TAX | 7,000 | 7,284.68 | 8,007.78 | | 8,000 | |
| 10-343-0000 POWELL BILL REVENUES | 52,000 | 51,627.76 | 52,435.99 | | 51,000 | |
| 10-345-0100 ARTICLE 40 SALES TAX (1/2%) | 62,000 | 60,590.87 | 66,576.47 | | 67,000 | |
| 10-345-0200 ARTICLE 42 SALES TAX (1%) | 55,000 | 48,154.60 | 55,031.73 | | 55,000 | |
| 10-345-0300 SALES TAX (ONSLow) | 0 | 0.00 | 0.00 | | 0 | |
| 10-345-0400 ARTICLE 44 SALES TAX (NEW 1/2) | 60,000 | 59,340.01 | 63,985.85 | | 65,000 | |
| 10-345-0500 ARTICLE 39 SALES TAX (1%) | 105,000 | 91,831.63 | 106,079.13 | | 105,000 | |
| 10-347-0000 ABC REVENUES | 30,000 | 33,327.00 | 32,397.00 | | 35,000 | |
| 10-348-0100 STATE GOVT. GRANTS-MOSQ | 500 | 0.00 | 0.00 | | 500 | |
| 10-348-0200 STATE GRANTS - CRIME CONTROL | 16,500 | 23,847.57 | 28,483.57 | | 8,000 | |
| 10-348-0300 STATE GRANTS - PARTF | 0 | 0.00 | 59,160.00 | | 0 | |
| 10-349-0100 FED. GOVT. GRANTS - COP | 0 | 0.00 | 0.00 | | 0 | |
| 10-349-0200 FEMA REIMBURSEMENT | 0 | 0.00 | 0.00 | | 0 | |
| 10-350-0000 TSA GRANT | 0 | 0.00 | 0.00 | | 0 | |
| 10-351-0000 COURT COSTS, FEES & CHARGES | 4,500 | 4,325.34 | 5,198.86 | | 4,500 | |
| 10-351-0100 ORDINANCE VIOLATION FEES | 500 | 1,670.00 | 800.00 | | 500 | |
| 10-352-0000 PARKING VIOLATION FEES | 100 | 0.00 | 0.00 | | 100 | |
| 10-355-0000 BUILDING PERMITS | 3,000 | 5,525.00 | 2,275.00 | | 3,000 | |
| 10-357-0000 INSPECTION FEES | 0 | 0.00 | 0.00 | | 0 | |

6/13/2016

**Town of Richlands
2016-17 Budget Worksheet**

| <u>GL Account/Description</u> | <u>Current</u> | <u>Actual</u> | <u>Prior Year</u> | <u>Requested</u> | <u>Recommended</u> | <u>Approved</u> |
|--|------------------|---------------------|---------------------|------------------|--------------------|-----------------|
| 10-359-0000 GARBAGE COLLECTION FEES | 143,450 | 130,293.54 | 117,406.64 | | 156,000 | |
| 10-367-0100 NC SALES TAX REFUNDS | 2,500 | 10,301.18 | 0.00 | | 2,500 | |
| 10-367-0200 NC GAS TAX REFUNDS | 2,000 | 0.00 | 0.00 | | 2,000 | |
| 10-382-0000 SALE OF ASSETS | 2,000 | 4,488.95 | 0.00 | | 2,000 | |
| 10-391-0100 REIMBURSEMENT - WATER FUND | 0 | 0 | 0.00 | | 0 | |
| 10-391-0200 REIMBURSEMENT - SEWER FUND | 0 | 0.00 | 0.00 | | 0 | |
| 10-394-0000 APPROPRIATED FUND BALANCE | 0 | 0.00 | 0.00 | | 0 | |
| 10-398-0000 PROCEEDS FRM INSTALLMT | 0 | 0.00 | 0.00 | | 0 | |
| 10-399-0000 FUND BALANCE APPROPRIATED | 28,600 | 0.00 | 0.00 | | 12,200 | |
| 10-650-3401 POWELL BILL - CURRENT YEAR | 0 | 0.00 | 0.00 | | 0 | |
| 10-650-3402 POWELL BILL - SURPLUS | 0 | 0.00 | 0.00 | | 0 | |
| 10-700-0000 TRANSFER TO CAPITAL PROJECTS | 0 | 0.00 | 0.00 | | 0 | |
| ****REVENUES Totals | 1,327,150 | 1,288,935.35 | 1,395,092.68 | | 1,350,000 | |

6/13/2016

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|-------------------------------------|----------------|---------------|-------------------|------------------|--------------------|-----------------|
| 10-410-0000 GOVERNING BODY | | | | | | |
| 10-410-0100 TOWN OFFICIALS | 9,100 | 9,009.00 | 9,009.00 | | 9,100 | |
| 10-410-0200 EXPERIENCE BONUS | 6,000 | 5,922.00 | 5,660.00 | | 6,000 | |
| 10-410-0300 INCENTIVE BONUS | 0 | 0.00 | 0.00 | | 0 | |
| 10-410-0400 ATTORNEY FEES | 9,000 | 9,600.00 | 9,600.00 | | 9,600 | |
| 10-410-0500 FICA | 800 | 689.36 | 689.36 | | 800 | |
| 10-410-0550 AUDITOR | 12,000 | 12,150.00 | 12,150.00 | | 10,800 | |
| 10-410-1000 TRAINING | 2,500 | 1,434.67 | 641.00 | | 1,000 | |
| 10-410-1400 TRAVEL | 1,200 | 1,429.93 | 925.38 | | 1,500 | |
| 10-410-4500 CONTRACTED SERVICES | 5,500 | 10,271.29 | 5,487.25 | | 6,000 | |
| 10-410-5300 DUES & SUBSCRIPTIONS | 3,500 | 3,798.00 | 3,607.00 | | 3,800 | |
| 10-410-5400 INSURANCE & BONDS | 32,000 | 31,966.88 | 30,014.26 | | 32,000 | |
| 10-410-5700 MISCELLANEOUS EXPENSES | 5,000 | 5,112.42 | 2,540.98 | | 4,000 | |
| 10-410-7500 CAPITAL OUTLAY NEW TOWN | 0 | 0.00 | 0.00 | | 0 | |
| 10-410-9000 DONATIONS / GRANTS | 0 | 5,500.00 | 0.00 | | 1,500 | |
| 10-410-9100 CDBG CONTRIBUTION | 0 | 0.00 | 0.00 | | 0 | |
| ****GOVERNING BODY Totals | 86,600 | 96,883.55 | 80,324.23 | | 86,100 | |

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|-------------------------------------|----------------|---------------|-------------------|------------------|--------------------|-----------------|
| 10-420-0000 ADMINISTRATION | | | | | | |
| 10-420-0200 SALARIES & WAGES | 144,000 | 139,918.64 | 137,645.58 | | 147,000 | |
| 10-420-0400 PROFESSIONAL SERVICES | 0 | 0.00 | 0.00 | | 0 | |
| 10-420-0500 FICA EXPENSE | 11,100 | 10,667.00 | 10,426.23 | | 11,300 | |
| 10-420-0600 GROUP HEALTH INSURANCE | 17,400 | 18,752.76 | 15,938.62 | | 18,200 | |
| 10-420-0700 RETIREMENT | 10,300 | 9,483.34 | 9,836.56 | | 10,600 | |
| 10-420-0800 401(K) | 3,500 | 4,097.46 | 4,173.96 | | 3,600 | |
| 10-420-1000 TRAINING | 3,500 | 2,515.00 | 2,425.05 | | 2,800 | |
| 10-420-1100 TELEPHONE & POSTAGE | 3,500 | 3,371.17 | 3,433.11 | | 3,500 | |
| 10-420-1200 PRINTING & PUBLISHING | 500 | 276.78 | 244.35 | | 500 | |
| 10-420-1300 UTILITIES | 6,000 | 6,644.00 | 6,897.09 | | 6,000 | |
| 10-420-1400 TRAVEL | 4,500 | 3,750.68 | 3,144.50 | | 4,000 | |
| 10-420-1500 MAINTENANCE - BUILDINGS | 500 | 0.00 | 615.40 | | 500 | |
| 10-420-1600 MAINTENANCE - EQUIPMENT | 500 | 0.00 | 0.00 | | 500 | |
| 10-420-1700 MAINTENANCE - AUTOS | 500 | 0.00 | 0.00 | | 500 | |
| 10-420-2600 ADVERTISING | 2,000 | 1,412.05 | 971.42 | | 1,500 | |
| 10-420-3100 AUTO SUPPLIES | 200 | 0.00 | 0.00 | | 200 | |
| 10-420-3200 OFFICE SUPPLIES | 1,300 | 913.33 | 1,408.78 | | 1,200 | |
| 10-420-3300 DEPARTMENTAL SUPPLIES | 2,000 | 848.17 | 7,726.44 | | 1,500 | |
| 10-420-3400 OTHER SUPPLIES | 0 | 0.00 | 0.00 | | 0 | |
| 10-420-3700 NC SALES TAX | 500 | 408.28 | 0.00 | | 500 | |
| 10-420-4000 ONSLOW COUNTY SALES TAX | 400 | 186.39 | 0.00 | | 400 | |
| 10-420-4100 TAX COLLECTION FEE | 6,000 | 5,717.33 | 5,616.51 | | 6,000 | |
| 10-420-4550 CONTRACTED SERVICES | 12,000 | 5,865.17 | 24,049.74 | | 7,900 | |
| 10-420-4700 IT CONTRACTED SERVICES | 2,300.00 | 3,233.33 | 0.00 | | 2,300 | |
| 10-420-5300 DUES & SUBSCRIPTIONS | 3,500 | 1,746.58 | 2,127.27 | | 2,200 | |
| 10-420-5400 INSURANCE | 200 | 143.09 | 0.00 | | 200 | |
| 10-420-5700 MISCELLANEOUS EXPENSE | 500 | 22.00 | 649.28 | | 500 | |
| 10-420-7200 CAPITAL OUTLAY - BUILDI | 0 | 0.00 | 0.00 | | 0 | |
| 10-420-7400 CAPITAL OUTLAY - EQUIPM | 1,200 | 1,303.39 | 5,176.23 | | 5,900 | |
| 10-420-9400 DEBT SERV. - COMP. SYS. | 0 | 0.00 | 0.00 | | 0 | |
| ****ADMINISTRATION Totals | 237,900 | 221,275.94 | 242,506.12 | | 239,300 | |

6/13/2016

**Town of Richlands
2016-17 Budget Worksheet**

| <u>GL Account/Description</u> | <u>Current</u> | <u>Actual</u> | <u>Prior Year</u> | <u>Requested</u> | <u>Recommended</u> | <u>Approved</u> |
|--|----------------|---------------|-------------------|------------------|--------------------|-----------------|
| 10-500-0000 PUBLIC BUILDINGS | | | | | | |
| 10-500-1100 TELEPHONE | 300 | 0.00 | 0.00 | | 300 | |
| 10-500-1300 UTILITIES | 5,000 | 5,733.88 | 6,047.03 | | 6,000 | |
| 10-500-1500 MAINTENANCE - BUILDINGS | 2,000 | 1,966.49 | 4,939.14 | | 2,000 | |
| 10-500-1600 MAINTENANCE - EQUIPMENT | 300 | 349.00 | 246.74 | | 300 | |
| 10-500-3300 DEPARTMENTAL SUPPLIES | 300 | 300.69 | 209.60 | | 300 | |
| 10-500-4500 CONTRACTED SERVICES | 14,500 | 17,491.84 | 520.00 | | 12,800 | |
| 10-500-5700 MISCELLANEOUS EXPENSE | 200 | 1,760.50 | 460.47 | | 200 | |
| 10-500-7300 CAPITAL OUTLAY - OTHER | 0 | 0.00 | 0.00 | | 0 | |
| 10-500-7400 CAPITAL OUTLAY - EQUIPM | 3,000 | 2,138.54 | 0.00 | | 0 | |
| 10-500-7500 PARK PROJECT | 2,000 | 837.12 | 554.90 | | 2,000 | |
| 10-500-7600 TOWN HALL OUTLAY | 0 | 0.00 | 7,033.34 | | 0 | |
| 10-500-7700 PARTF GRANT (VENTERS) | 0 | 8,434.55 | 132,866.00 | | 0 | |
| 10-500-9400 COMMUNITY BUILDING DEBT SERVIC | 4,000 | 3,945.00 | 3,945.00 | | 4,000 | |
| ****PUBLIC BUILDINGS Totals | 31,600 | 42,957.61 | 156,822.22 | | 27,900 | |

6/13/2016

Town of Richlands
2016-17 Budget Worksheet

| GL Account/Description | Current | Actual | Prior Year | Requested | Recommended | Approved |
|-------------------------------------|---------|------------|------------|-----------|-------------|----------|
| 10-510-0000 POLICE / PUBLIC SAFETY | | | | | | |
| 10-510-0200 SALARIES & WAGES | 246,000 | 255,325.90 | 238,214.67 | | 280,000 | |
| 10-510-0500 FICA EXPENSE | 18,900 | 19,570.47 | 18,259.80 | | 18,500 | |
| 10-510-0600 GROUP HEALTH INSURANCE | 50,200 | 53,167.79 | 46,523.49 | | 55,800 | |
| 10-510-0700 RETIREMENT | 15,200 | 16,606.67 | 17,259.56 | | 21,600 | |
| 10-510-0800 401(K) | 10,400 | 11,548.13 | 11,697.14 | | 13,500 | |
| 10-510-1000 TRAINING | 1,200 | 0.00 | 474.60 | | 1,200 | |
| 10-510-1100 TELEPHONE & POSTAGE | 6,000 | 6,992.55 | 5,974.45 | | 6,000 | |
| 10-510-1200 PRINTING & PUBLISHING | 200 | 264.22 | 117.66 | | 200 | |
| 10-510-1300 UTILITIES | 6,500 | 6,643.95 | 6,881.17 | | 6,500 | |
| 10-510-1400 TRAVEL | 600 | -36.48 | 903.10 | | 600 | |
| 10-510-1500 MAINTENANCE - BUILDINGS | 200 | 0.00 | 965.02 | | 200 | |
| 10-510-1600 MAINTENANCE - EQUIPMENT | 2,000 | 1,017.75 | 865.19 | | 1,000 | |
| 10-510-1700 MAINTENANCE - AUTOS | 6,000 | 5,092.49 | 6,223.28 | | 6,000 | |
| 10-510-2600 ADVERTISING | 0 | 0.00 | 0.00 | | 0 | |
| 10-510-3100 AUTO SUPPLIES | 18,000 | 10,424.33 | 11,650.81 | | 12,000 | |
| 10-510-3200 OFFICE SUPPLIES | 1,000 | 1,068.73 | 820.86 | | 1,000 | |
| 10-510-3300 DEPARTMENTAL SUPPLIES | 3,000 | 1,977.19 | 6,299.74 | | 3,000 | |
| 10-510-3500 LAUNDRY / DRY CLEANING | 100 | 0.00 | 0.00 | | 100 | |
| 10-510-3600 UNIFORMS | 3,500 | 1,156.15 | 2,508.88 | | 2,500 | |
| 10-510-3700 NC SALES TAX | 1,000 | 1,429.48 | 0.00 | | 1,000 | |
| 10-510-4000 ONSLOW COUNTY SALES TAX | 500 | 707.13 | 0.00 | | 500 | |
| 10-510-4500 CONTRACTED SERVICES | 11,500 | 10,223.22 | 17,826.15 | | 10,200 | |
| 10-510-4550 IT CONTRACTED SERVICES | 2,800 | 3,740.18 | 0.00 | | 3,000 | |
| 10-510-5300 DUES & SUBSCRIPTIONS | 200 | 0.00 | 150.00 | | 200 | |
| 10-510-5400 INSURANCE | 0 | 0.00 | 0.00 | | 0 | |
| 10-510-5700 MISCELLANEOUS EXPENSE | 500 | 312.00 | 546.58 | | 500 | |
| 10-510-7200 CAPITAL OUTLAY - BUILDI | 0 | 0 | 0 | | 0 | |
| 10-510-7400 CAPITAL OUTLAY - EQUIPM | 24,800 | 26,816.00 | 12,479.79 | | 34,300 | |
| 10-510-7600 CAPITAL OUTLAY - GHSP | 0 | 0.00 | 0.00 | | 0 | |
| 10-510-7900 PROJECTS | 500 | 0.00 | 0.00 | | 500 | |
| 10-510-9000 SAFETY GRANTS/DONATIONS | 0 | 0.00 | 0.00 | | 0 | |
| 10-510-9100 DUE TO RICHLANDS VFD | 0 | 0.00 | 0.00 | | 0 | |
| 10-510-9400 DEBT SERVICE - AUTO LEA | 13,500 | 7,537.64 | 13,123.12 | | 0 | |
| ****PUBLIC SAFETY Totals | 444,300 | 441,585.49 | 419,765.06 | | 479,900 | |

6/13/2016

Town of Richlands
2016-17 Budget Worksheet

| <u>GL Account/Description</u> | <u>Current</u> | <u>Actual</u> | <u>Prior Year</u> | <u>Requested</u> | <u>Recommended</u> | <u>Approved</u> |
|-------------------------------------|----------------|---------------|-------------------|------------------|--------------------|-----------------|
| 10-530-0000 FIRE DEPT | 0 | 0.00 | 0.00 | | 0 | |
| 10-530-1300 UTILITIES | 0 | 0.00 | 0.00 | | 0 | |
| 10-530-7200 CAPITAL OUTLAY BLDG | 0 | 0.00 | 0.00 | | 0 | |
| 10-530-7400 CAPITAL OUTLAY-EQUIP (P | 0 | 0.00 | 0.00 | | 0 | |
| 10-530-7500 CONTRIBUTION/FIRE DEPT | 25,500 | 25,500.00 | 25,000.00 | | 25,500 | |
| ****FIRE PROTECTION Totals | 25,500 | 25,500.00 | 25,000.00 | | 25,500 | |

6/13/2016

Town of Richlands
2016-17 Budget Worksheet

| GL Account/Description | Current | Actual | Prior Year | Requested | Recommended | Approved |
|-------------------------------------|---------|------------|------------|-----------|-------------|----------|
| 10-560-0000 STREETS | | | | | | |
| 10-560-0200 SALARIES & WAGES | 132,000 | 127,504.98 | 122,291.20 | | 135,000 | |
| 10-560-0400 PROFESSIONAL SERVICES | 500 | 0.00 | 0.00 | | 500 | |
| 10-560-0500 FICA EXPENSE | 9,800 | 9,893.15 | 9,494.88 | | 10,300 | |
| 10-560-0600 GROUP HEALTH INSURANCE | 40,000 | 42,356.40 | 36,534.71 | | 40,000 | |
| 10-560-0700 RETIREMENT | 9,500 | 8,637.91 | 8,787.20 | | 9,800 | |
| 10-560-0800 401(K) | 4,000 | 3,350.32 | 3,728.76 | | 4,100 | |
| 10-560-1000 TRAINING | 300 | 90.00 | 392.51 | | 300 | |
| 10-560-1100 TELEPHONE & POSTAGE | 1,800 | 2,077.95 | 2,606.91 | | 2,000 | |
| 10-560-1200 PRINTING & PUBLISHING | 100 | 97.00 | 49.00 | | 100 | |
| 10-560-1300 UTILITIES | 29,000 | 30,249.31 | 32,310.61 | | 31,000 | |
| 10-560-1400 TRAVEL | 100 | 0.00 | 0.00 | | 100 | |
| 10-560-1500 MAINTENANCE - BUILDING | 300 | 0.00 | 247.33 | | 300 | |
| 10-560-1600 MAINTENANCE - EQUIPMENT | 2,000 | 5,915.42 | 2,391.00 | | 2,000 | |
| 10-560-1700 MAINTENANCE - AUTOS | 2,000 | 6,182.10 | 2,363.57 | | 3,000 | |
| 10-560-2600 ADVERTISING | 100 | 0.00 | 325.95 | | 100 | |
| 10-560-3100 AUTO SUPPLIES | 8,000 | 5,655.62 | 10,086.21 | | 6,500 | |
| 10-560-3200 OFFICE SUPPLIES | 200 | 0.00 | 0.00 | | 200 | |
| 10-560-3300 DEPARTMENTAL SUPPLIES | 2,500 | 2,201.78 | 3,033.52 | | 2,500 | |
| 10-560-3400 POWELL BILL SUPPLIES | 60,000 | 45,256.37 | 20,168.55 | | 60,000 | |
| 10-560-3500 LAUNDRY / DRY CLEANING | 3,500 | 4,961.59 | 4,115.91 | | 5,000 | |
| 10-560-3600 UNIFORMS / SAFETY EQUIP | 700 | 700.01 | 669.19 | | 700 | |
| 10-560-3700 NC SALES TAX | 800 | 1,148.89 | 0.00 | | 800 | |
| 10-560-3800 SIGN REPLACEMENT | 3,000 | 1,910.64 | 37.18 | | 3,000 | |
| 10-560-4000 ONSLOW COUNTY SALES TAX | 400 | 563.09 | 0.00 | | 400 | |
| 10-560-4400 CONTRACT SERVICE - WAST | 109,500 | 117,965.31 | 109,090.51 | | 122,000 | |
| 10-560-4500 CONTRACTED SERVICES | 8,000 | 10,885.87 | 8,949.33 | | 12,700 | |
| 10-560-4550 IT CONTRACTED SERVICES | 700 | 523.34 | 0.00 | | 700 | |
| 10-560-5400 INSURANCE | 200 | 0.00 | 0.00 | | 200 | |
| 10-560-5700 MISCELLANEOUS EXPENSE | 350 | 22.00 | 346.96 | | 200 | |
| 10-560-7200 MAINT & REPAIR BLDG | 100 | 83.98 | 0.00 | | 100 | |
| 10-560-7300 CAPITAL OUTLAY - OTHER | 0 | 0.00 | 0.00 | | 0 | |
| 10-560-7400 CAPITAL OUTLAY - EQUIPM | 26,000 | 25,789.79 | 0.00 | | 1,900 | |
| 10-560-9100 ONSLOW COUNTY TIPPING F | 34,000 | 34,747.37 | 34,662.86 | | 35,000 | |
| 10-560-9200 SUPPLIES MOSQUITO CONTO | 800 | 0.00 | 0.00 | | 800 | |
| 10-560-9201 INS SAFETY GRANT | 0 | 0.00 | 0.00 | | 0 | |
| 10-560-9300 FEMA/CULVERT PIPE | 0 | 0.00 | 0.00 | | 0 | |
| 10-560-9400 DEBT SERVICE - AUTO LEA | 11,000 | 10,948.55 | 42,373.70 | | 0 | |

6/13/2016

Town of Richlands
2016-17 Budget Worksheet

| | | | | | |
|--------------------------------------|-----------|-------------|------------|-----------|---|
| ***STREETS Totals | 501,250 | 499,718.74 | 455,057.55 | 491,300 | |
| **Total Expenditures for Fund: 10 | 1,327,150 | 1,327,921 | 1,379,475 | 1,350,000 | 0 |
| **Revenues Over/(Under) Expenditures | 0 | (38,985.98) | 15,617.50 | 0 | 0 |

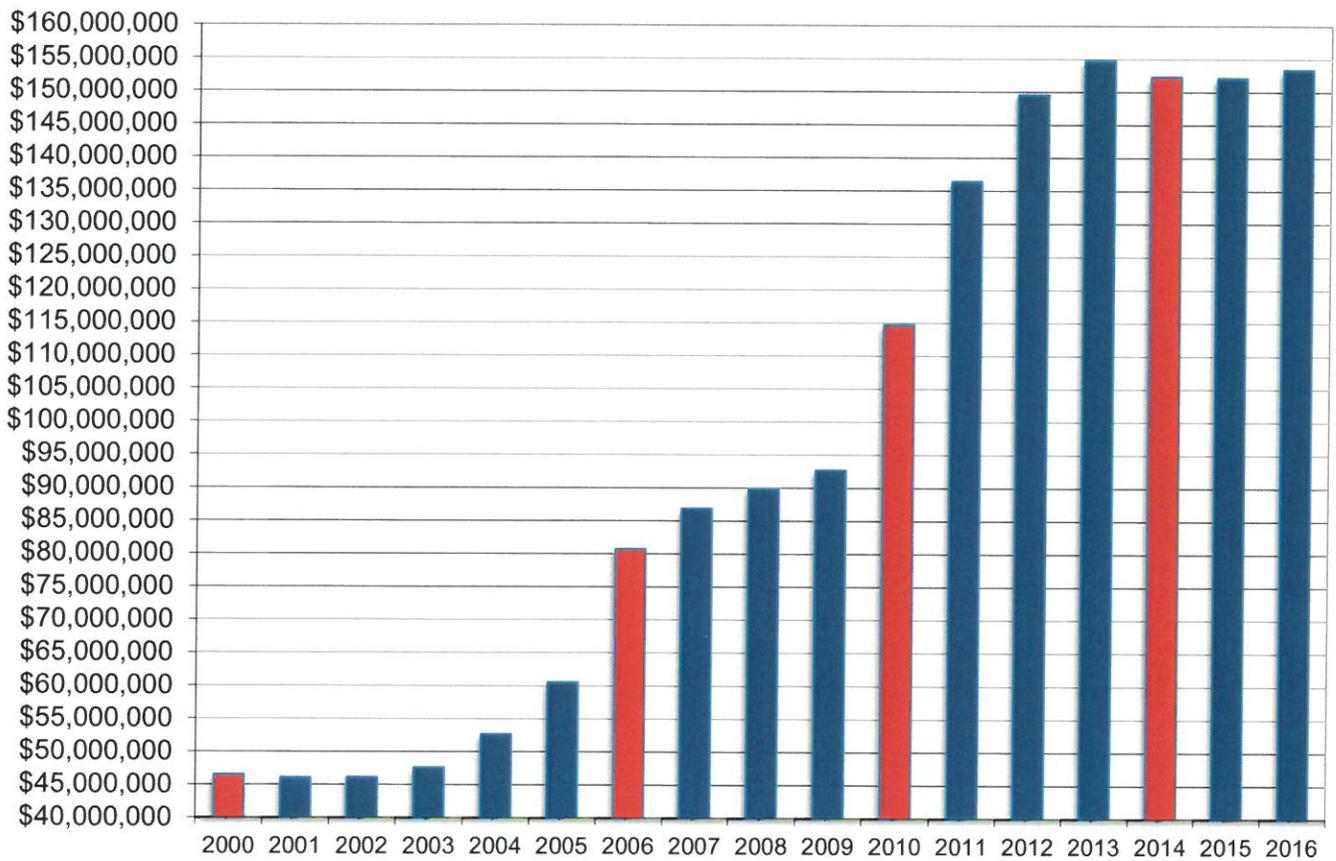
PROPOSED 2016-2017 FISCAL YEAR FEE SCHEDULE

The following table summarizes the fee schedule the Town of Richlands charges various fees for several of the services that are provided. These fees are charged in order to recover the cost of providing a service and replacing assets that are consumed by municipal activities.

| <u>Fee Type</u> | <u>Fee Schedule</u> |
|----------------------------------|-------------------------------------|
| Property Tax Rate | \$.38/\$100 assessed valuation |
| Business Privilege Licenses | Repealed by law |
| Community Building Rent | \$250.00 per day with \$100 deposit |
| Town Hall Board Room | \$30.00 per day |
| Venters Park Picnic Shelter | \$15.00 per hour w/three hour limit |
| Garbage Service | |
| residential, per cart | \$13.90 per month |
| commercial, 1 cart | \$13.90 per month |
| commercial, 2 carts | \$27.80 per month |
| commercial, 3 carts | \$41.70 per month |
| Bulky Item Pickup | \$10.00 per item permitted |
| Copies | \$.10 per page |
| Golf Cart Registration | \$25.00 Annually |
| Police Reports | \$5.00 per report copy |
| Applicant Fingerprint Requests | \$15.00 per request |
| VIN # Verification | \$25.00 per verification |
| Zoning Permit (Residential) | \$65.00 |
| Zoning Permit (Commercial) | \$90.00 |
| Zoning Verification Letter | \$10.00 |
| Flood Verification | \$10.00 |
| Flood Development Permit | \$200.00 |
| Rezoning Application (Map) | \$350.00 |
| Rezoning Application (Text) | \$250.00 |
| Conditional Use Application | \$250.00 |
| Variance Request | \$450.00 |
| Subdivision Plan Review | |
| 10 Lots or Less | \$50.00 |
| 11 – 50 Lots | \$100.00 |
| 50 + Lots | \$200.00 |
| Minor Subdivision Approval | \$50.00 |
| Sign Permit | |
| Wall Mounted | \$100.00 |
| Free Standing | \$200.00 |
| Minimum Residential Planning Fee | \$75.00 |
| Minimum Commercial Planning Fee | \$100.00 |

APPENDIX A

Property Tax Values Since 2000



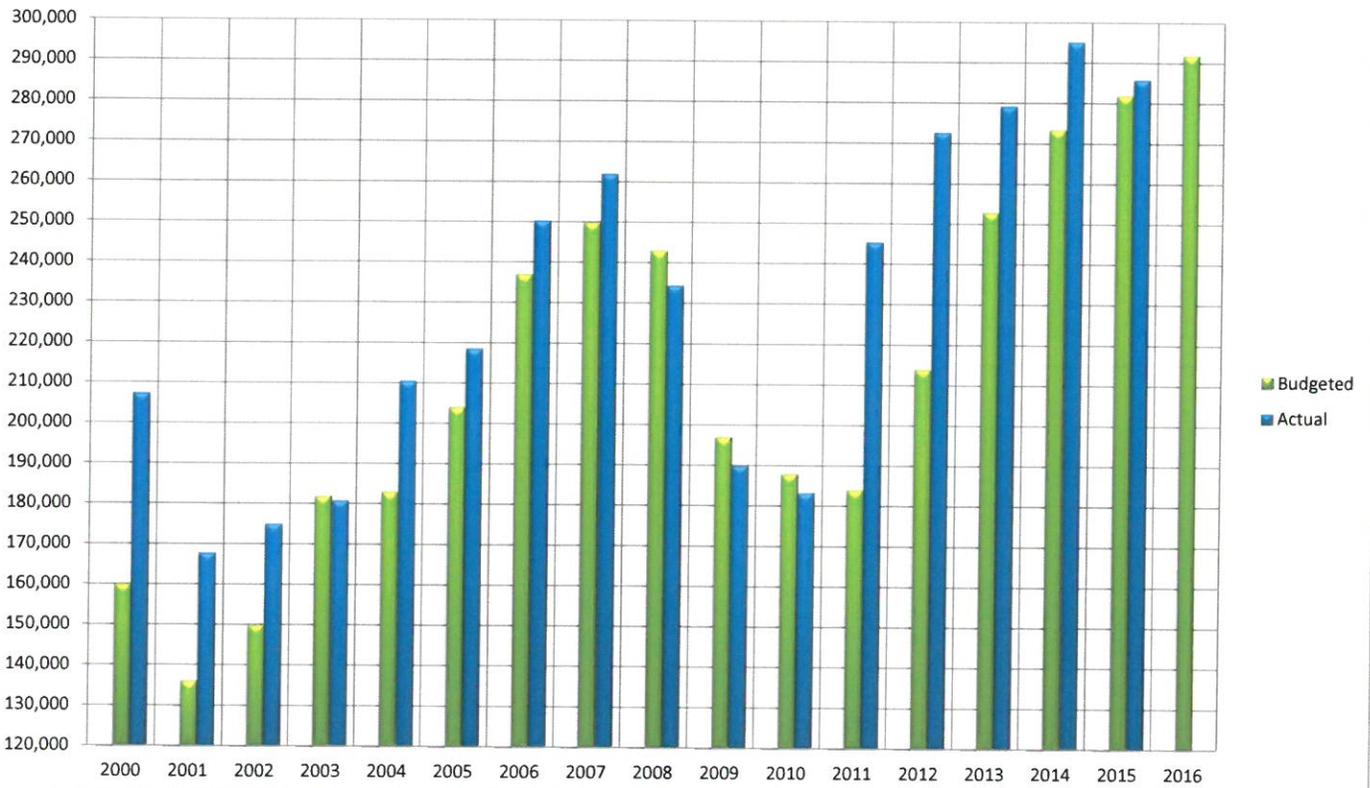
** The red bars indicate a re-evaluation year

APPENDIX B

| Assessed Tax Value Estimates | | | | | |
|-------------------------------------|--------------------|--------------------------|-----------------------|----------------------------|--------------------|
| Fiscal Year | Real Estate | Personal Property | Public Service | Registered Vehicles | Total |
| FY 2016-2017 | 132,400,000 | 5,300,000 | 2,894,000 | 12,800,000 | 153,394,000 |
| FY 2015-2016 | 133,000,000 | 5,200,000 | 2,730,000 | 11,200,000 | 152,130,000 |
| FY 2014-2015 | 130,500,000 | 5,200,900 | 2,917,900 | 13,674,400 | 152,293,200 |
| FY 2013-2014 | 133,993,390 | 5,200,900 | 2,917,953 | 12,610,200 | 154,722,443 |

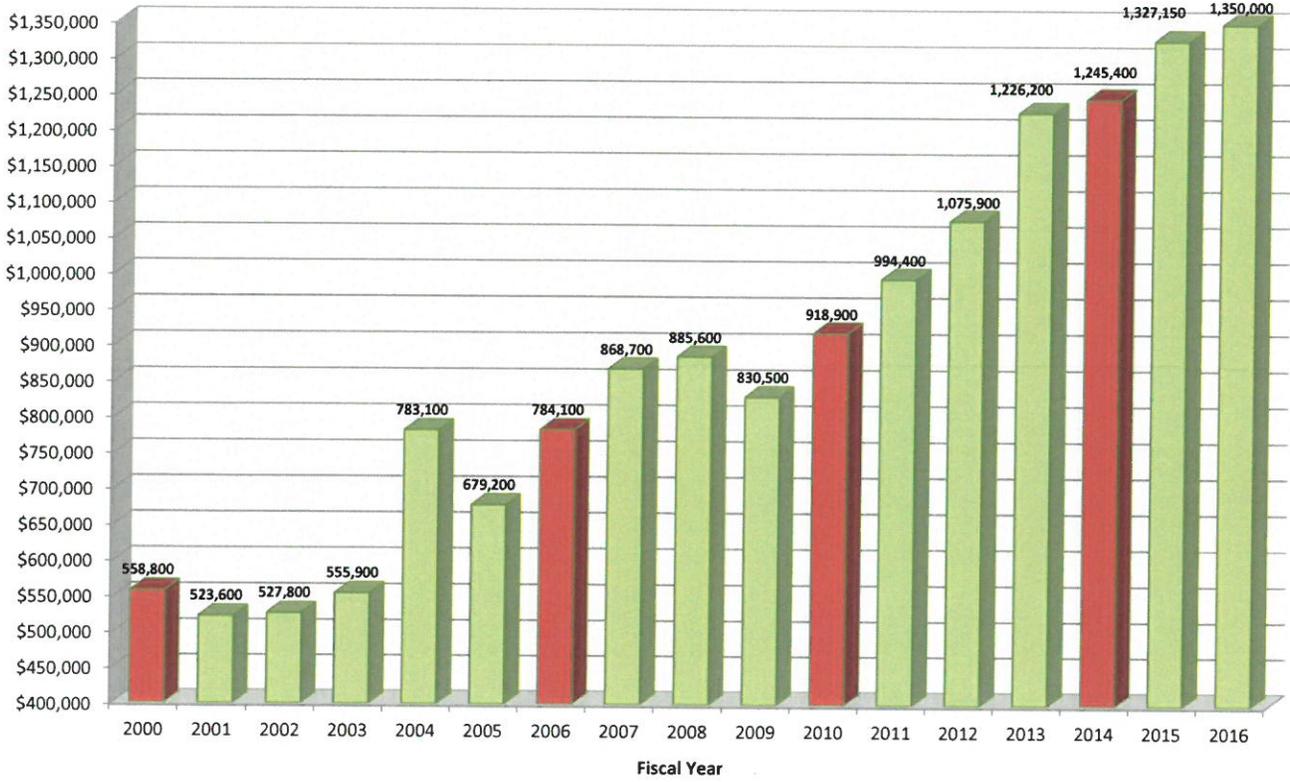
APPENDIX C

**Sales Tax Revenue Totals Since 2000
Budget vs. Actual**



APPENDIX D

General Fund Budgets Over Time*



* Figures reflect budget amounts originally adopted and do not account for any budget amendments.

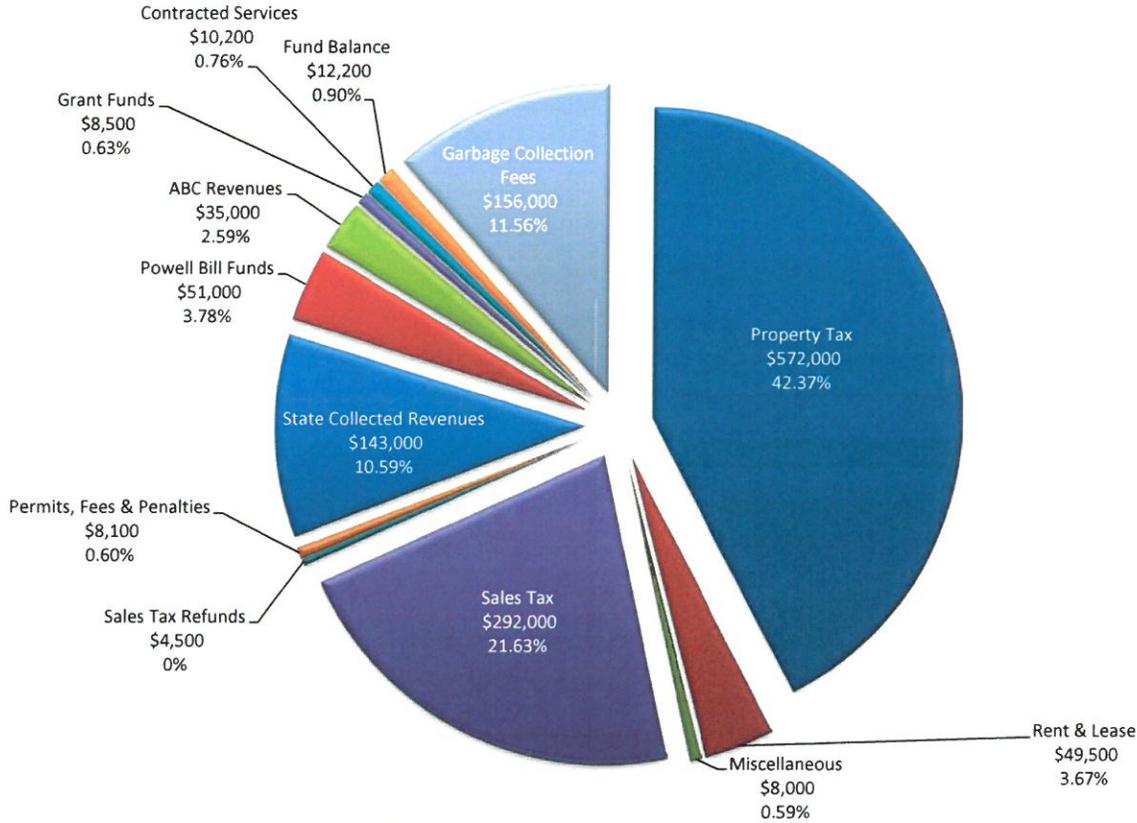
APPENDIX E

**2016-2017 Budget
Revenue & Expenditure Summary**

| • GENERAL FUND REVENUES | 2016 | 2015 | 2014 |
|---|--------------------|-------------|-------------|
| • Property Tax (including penalties and interest) | \$572,000 | \$563,500 | \$551,500 |
| • Rent & Lease | \$49,500 | \$48,000 | \$46,500 |
| • Miscellaneous & Other | \$8,000 | \$8,000 | \$9,400 |
| • Sales Tax | \$292,000 | \$282,000 | \$273,500 |
| • Sales Tax Refunds | \$4,500 | \$4,500 | \$4,500 |
| • State Collected Revenues | \$143,000 | \$132,000 | \$115,500 |
| • Powell Bill Funds | \$51,000 | \$52,000 | \$50,000 |
| • ABC Revenues | \$35,000 | \$30,000 | \$28,000 |
| • Grant Funds | \$8,500 | \$17,000 | \$27,500 |
| • Contracted Services | \$10,200 | \$10,000 | \$9,800 |
| • Permits, Fees & Penalties | \$8,100 | \$8,100 | \$9,200 |
| • Garbage Collection Fees | \$156,000 | \$143,450 | \$120,000 |
| • Fund Balance | \$12,200 | \$28,600 | \$0 |
| Total | \$1,350,000 | \$1,327,150 | \$1,245,400 |
| • GENERAL FUND EXPENDITURES | | | |
| • Governing Body | \$86,100 | \$86,600 | \$92,100 |
| • Administration | \$239,300 | \$237,900 | \$243,600 |
| • Buildings | \$27,900 | \$31,600 | \$26,000 |
| • Police | \$479,900 | \$444,300 | \$407,800 |
| • Fire | \$25,500 | \$25,500 | \$25,500 |
| • Streets | \$491,300 | \$501,250 | \$450,400 |
| Total | \$1,350,000 | \$1,327,150 | \$1,245,400 |
| • Revenues Over/(Under) Expenditures | \$0 | | |

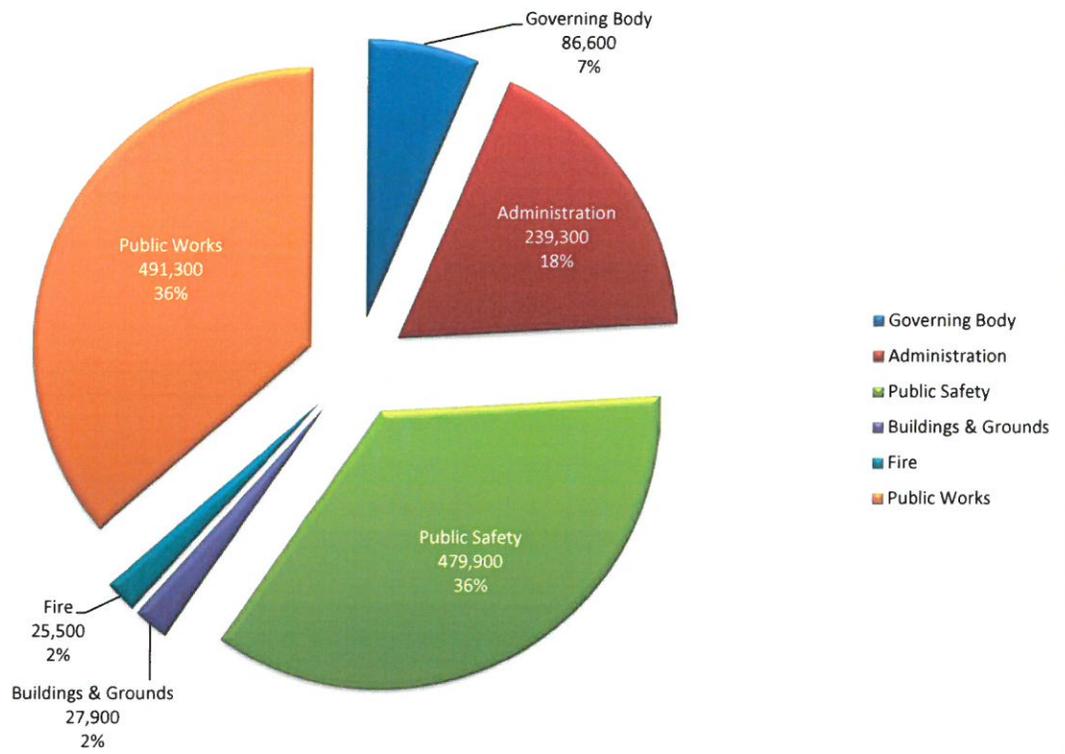
APPENDIX F

General Fund Revenues



APPENDIX G

General Fund Expenditures



APPENDIX H

2016 Departmental Budget Requests

| Department | Item Description | Quantity | Unit Cost | Financing Terms | Annual Cost | Total Cost |
|-----------------------|---------------------------------------|-----------------|------------------|------------------------|-----------------------|-------------------|
| <i>Administration</i> | Citipak Upgrade to FMS | 1 | \$2,700 | | | \$2,700 |
| | Town Website Update | 1 | \$3,400 | | | \$3,400 |
| | Telephone System Replacement | 1 | \$5,900 | | | \$5,900 |
| | | | | | <i>Subtotal</i> | \$12,000 |
| | | | | Total Budgeted | | \$8,600 |
| <i>Public Safety</i> | Squadroom Chairs | 6 | \$100 | | | \$600 |
| | Nylon Tactical Gear | 12 | \$185 | | | \$2,300 |
| | Portable Radar Sign | 1 | \$3,124 | | | \$3,200 |
| | 2016 Dodge Charger Police Interceptor | 1 | \$30,400 | | \$7,800 | \$30,400 |
| | | | | | <i>Subtotal</i> | \$36,500 |
| | | | | Total Budgeted | | \$36,500 |
| <i>Public Works</i> | Pressure Washer | 1 | \$500 | | | \$500 |
| | Ventrak Power Bucket | 1 | \$1,400 | | | \$1,400 |
| | | | | | <i>Subtotal</i> | \$1,900 |
| | | | | Total Budgeted | | \$1,900 |
| | | | | | Subtotal | \$50,400 |
| | | | | | TOTAL BUDGETED | \$47,000 |

* Green highlighted items represent items included in proposed budget

APPENDIX I

Anticipated Recurring Capital Expenditures

| | | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Buildings & Grounds | Town Hall | \$7,100 | | | | | | | | | |
| | Community Building | \$3,950 | \$3,950 | \$3,950 | \$3,950 | \$3,950 | \$3,950 | \$3,950 | \$3,950 | \$3,950 | \$3,950 |
| | subtotal | \$11,050 | \$3,950 | \$3,950 |
| Public Safety | 2010 Dodge Charger | \$5,600 | | | | | | | | | |
| | 2012 Dodge Charger | \$7,600 | \$7,600 | | | | | | | | |
| | 2016 Dodge Charger | | | \$7,800 | \$7,800 | \$7,800 | | | | | |
| | subtotal | \$13,600 | \$7,600 | \$7,800 | \$7,800 | \$7,800 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Public Works | 2012 Flatbed Truck | \$10,950 | \$10,950 | | | | | | | | |
| | Street Sweeping | \$5,700 | \$5,700 | \$5,700 | \$5,700 | \$5,700 | \$5,700 | \$5,700 | \$5,700 | \$5,700 | \$5,700 |
| | Street Paving Project | \$32,105 | \$32,105 | \$30,064 | \$29,383 | \$28,703 | \$28,022 | \$27,342 | \$26,661 | \$25,300 | |
| | 2015 Crew Cab Pickup | | \$26,000 | | | | | | | | |
| | subtotal | \$48,755 | \$74,755 | \$35,764 | \$35,083 | \$34,403 | \$33,722 | \$33,042 | \$32,361 | \$31,000 | \$5,700 |
| TOTAL | | \$73,405 | \$86,305 | \$47,514 | \$46,833 | \$46,153 | \$37,672 | \$36,992 | \$36,311 | \$34,950 | \$9,650 |